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EXTRAORDINARY

PART II—Section 2

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LOK SABHA

The following Bill was introduced in Lok Sabha on the 2nd December, 1957:—

BILL* No. 87 of 1957

A Bill to amend the Coal Bearing Areas (Acquisition and Development) Act, 1957.

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows:—

1. (1) This Act may be called the Coal Bearing Areas (Acquisition and Development) Amendment Act, 1957. Short title and commencement.

20 of 1957. 5 (2) It shall be deemed to have come into force on the 12th day of June, 1957.

2. In section 2 of the Coal Bearing Areas (Acquisition and Development) Act, 1957 (hereinafter referred to as the principal Act), Amendment of section 2. after clause (c), the following clause shall be inserted, namely:—

10 '(cc) "mining lease" includes a mining sub-lease, and "lessee" shall be construed accordingly;'. Amendment of section 5.

3. In section 5 of the principal Act,—

15 (a) in clause (a), for the words "granted to any person under the Mineral Concession Rules which authorises him", the words "which authorises any person" shall be substituted; and

*The President has, in pursuance of clause (3) of article 117 of the Constitution of India, recommended to Lok Sabha, the consideration of the Bill.

(b) in clause (b), the words "granted to any person under the Mineral Concession Rules" shall be omitted.

Insertion of
new section
9A.

4. After section 9 of the principal Act, the following section shall be inserted, namely:—

Special
powers in
cases of
urgency.

"9A. If the Central Government is satisfied that it is necessary to acquire immediately the whole or any part of the land notified under sub-section (1) of section 4 or any rights in or over such land, the Central Government may direct that the provisions of section 8 shall not apply, and if it does so direct, a declaration may be made under section 9 in respect thereof at any time after the issue of the notification under section 7."

Amendment
of section 10

5. In section 10 of the principal Act,—

(a) in sub-section (1), after the words "Central Government", the words "free from all encumbrances" shall be inserted; and

(b) in sub-section (2), for the words "granted by a State Government", the words "granted or deemed to have been granted by a State Government" shall be substituted.

Amendment
of section
13.

6. In clause (iv) of sub-section (2) of section 13 of the principal Act,—

(a) for the words "during the period commencing from the date of the lease and ending with", the words "up to" shall be substituted;

(b) in the proviso, for the words, brackets and letters "clauses (ii) and (iii)", the words, brackets and letters "(i), (ii) and (iii)" shall be substituted.

Amendment
of section
28.

7. In sub-section (3) of section 28 of the principal Act, for the words "disposed of by him accordingly", the following words shall be substituted, namely:—

"disposed of by him as if the objection had been made in relation to a notification issued under section 7 of this Act in respect of such land".

STATEMENT OF OBJECTS AND REASONS

With a view to enable the public sector to achieve the target of coal production set for it in the Second Five Year Plan, the Coal Bearing Areas (Acquisition and Development) Act, 1957 (20 of 1957) was passed during the May, 1957 session of Parliament. Experience in the administration of the Act has indicated the necessity to incorporate into the Act a new section empowering the Central Government, in cases of urgency, to dispense with an enquiry under section 8 of the Act, the provision proposed being similar to section 17(4) of the Land Acquisition Act, 1894 (1 of 1894).

2. As section 13 stands at present, interest on prospecting expenditure incurred before the date of the mining lease is not admissible. This has been represented to cause grave hardship. It is now proposed to allow interest on all reasonable and *bona fide* expenditure incurred before the date of the mining lease only in those cases where a prospecting licence has led to the issue of a mining lease. As before, the total interest payable would be limited to 50% of the principal, as the maximum compensation available.

3. It is also proposed to take the opportunity, thus provided, to make certain verbal amendments to some of the sections of the Act by way of abundant caution.

SWARAN SINGH.

NEW DELHI;

The 26th November, 1957.

FINANCIAL MEMORANDUM

The only amendment in the amending Bill involving financial implications is the proposed amendment to section 13 to provide payment of interest on reasonable and *bona fide* expenditure incurred on prospecting before the date of the mining lease. It is not possible at this stage to say accurately the expenditure that will be incurred on this account. In the Financial Memorandum attached to the Coal Bearing Areas (Acquisition and Development) Bill, 1957, it was stated that on a rough estimate the expenditure on acquisition, appointment of tribunal, etc., was likely to be about Rs. 100 lakhs during the Second Plan Period. It is considered that this rough estimate of Rs. 100 lakhs will also cover the small extra expenditure likely to be incurred as a result of the proposed amendment.

M. N. KAUL,
Secretary.